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October 8, 2010

TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.
Interim Director

SUBJECT: **DHS PARTICIPATION IN MEDICARE MODERNIZATION
ACT (MMA) SECTION 1011 PROGRAM**

John F. Schunhoff, Ph.D.
Interim Director

Gail V. Anderson, Jr., M.D.
Interim Chief Medical Officer

On January 19, 2006, the Department submitted its first status report on its progress to enroll and participate in the MMA Section 1011 program, which provides partial federal reimbursement for emergency services provided to undocumented immigrants. This is the latest in a series of periodic reports to inform your Board of our participation in this program.

On August 30, 2010, the Department received approximately \$2.3 million in reimbursement for Section 1011 program services provided during the First Quarter of Federal Fiscal Year (FFY) 2010. Total Section 1011 program reimbursement to date (for the eighteen participating quarters) exceeds \$38.6 million. Please see the attached Section 1011 billing and reimbursement schedule for more information.

The Centers for Medicare and Medicaid Services (CMS) has announced that Highmark Medicare Services (HMS) will succeed TrailBlazer Health Enterprises, LLC as the new fiscal intermediary for the Section 1011 program effective November 29, 2010. The Department does not anticipate any problems during the transition and will continue its participation in the program until the remaining California Section 1011 allocations have been exhausted. It is estimated that California currently has approximately \$66.5 million remaining in Section 1011 allocated funds which may provide program funding through dates of service July 1, 2011 through September 30, 2011.

The Department will continue to provide periodic reports to your Board on its participation in the Section 1011 program. Please let me know if you have questions or require additional information.

JFS:lg (1\FORD\IMMA SEC 1011\BOARD STATUS REPORTS\FINAL REPORTS\STATUS REPORT NO. 21 (10-08-10)
610:001

Attachment

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

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COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
MMA SECTION 1011 BILLING AND REIMBURSEMENT SUMMARY
Fourth Quarter FFY 2005 – First Quarter FFY 2010
(Dates of Service July 1, 2005 through December 31, 2009)

Federal Fiscal Year (Quarter)	Dates of Service	Total Claims Submitted	Total Gross Charges (Billed)	Total Billed Days	Average Reimbursement/Claim	Payment Date	Total Reimbursement¹
4 th Qtr. FFY 2005	07/01/05 – 09/30/05	903	\$12,412,965	1,683	\$2,619	May 29, 2006	\$2,364,836
1 st Qtr. FFY 2006	10/01/05 – 12/31/05	1,417	\$15,225,675	2,194	\$1,705	August 28, 2006	\$2,416,185
2 nd Qtr. FFY 2006	01/01/06 – 03/31/06	1,048	\$11,930,683	1,714	\$2,974	November 27, 2006	\$3,117,348
3 rd Qtr. FFY 2006	04/01/06 – 06/30/06	921	\$13,366,513	1,826	\$3,466	February 26, 2007	\$3,191,822
4 th Qtr. FFY 2006	07/01/06 – 09/30/06	838	\$ 9,747,851	1,449	\$2,499	May 28, 2007	\$2,094,219
1 st Qtr. FFY 2007	10/01/06 – 12/31/06	467	\$ 5,851,230	818	\$2,765	August 28, 2007	\$1,291,042
2 nd Qtr. FFY 2007	01/01/07 – 03/31/07	440	\$ 6,169,519	830	\$2,752	November 26, 2007	\$1,210,679
3 rd Qtr. FFY 2007	04/01/07 – 06/30/07	679	\$8,693,288	1,223	\$2,383	February 25, 2008	\$1,618,228
4 th Qtr. FFY 2007	07/01/07 – 09/30/07	605	\$7,602,583	1,094	\$2,650	May 27, 2008	\$1,603,430
1 st Qtr. FFY 2008	10/01/07 – 12/31/07	809	\$9,240,400	1,414	\$2,438	August 27, 2008	\$1,972,106
2 nd Qtr. FFY 2008	01/01/08 – 03/31/08	772	\$9,212,098	1,365	\$2,778	November 26, 2008	\$2,144,970
3 rd Qtr. FFY 2008	04/01/08 – 06/30/08	874	\$9,872,925	1,501	\$2,607	February 25, 2009	\$2,280,955
4 th Qtr. FFY 2008	07/01/08 – 09/30/08	797	\$10,826,559	1,510	\$2,846	May 28, 2009	\$2,268,452
1 st Qtr. FFY 2009	10/01/08 – 12/31/08	793	\$10,721,053	1,491	\$2,931	August 28, 2009	\$2,324,133
2 nd Qtr. FFY 2009	01/01/09 – 03/31/09	728	\$ 9,248,121	1,325	\$2,712	November 29, 2009	\$1,974,420
3 rd Qtr. FFY 2009	04/01/09 – 06/30/09	764	\$10,697,292	1,426	\$2,946	February 25, 2010	\$2,251,445
4 th Qtr. FFY 2009	07/01/09 – 09/30/09	768	\$10,649,096	1,441	\$2,970	May 28, 2010	\$2,280,963
1 st Qtr. FFY 2010	10/01/09 – 12/31/09	763	\$10,747,418	1,469	\$2,958	August 30, 2010	\$2,257,030
Total-to-Date		14,377	\$182,215,269	25,770	\$2,687	Total all Quarters	\$38,632,263^{2, 3}

1. Reimbursement includes inpatient and outpatient ER hospital services as well as psychiatric ER services and is based on a combined Medicare Cost Report-TrailBlazer methodology which has provided an average reimbursement rate to date of 21.20%
2. Paid claims are subject to eligibility compliance and medical review that can result in repayment of a paid claim denied by TrailBlazer as part of its compliance and medical review final determination process
3. If it is determined that provisions of the proposed State Medi-Cal Redesign (or other reform proposals) preclude claiming for Section 1011 services the Department will make arrangements to return some or all of the Section 1011 payments received